

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Ingham County Land Bank Fast Track Auth.	County Ingham
Fiscal Year End 12/31/06	Opinion Date June 19, 2007	Date Audit Report Submitted to State June 27, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

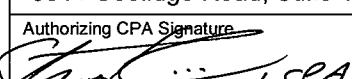
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>	N/A		
Certified Public Accountant (Firm Name) Abraham & Gaffney, P.C.		Telephone Number (517) 351-6836		
Street Address 3511 Coolidge Road, Suite 100		City East Lansing	State MI	Zip 48823
Authorizing CPA Signature 		Printed Name Steven R. Kirinovic, CPA		License Number 1101022020

**Ingham County Land Bank
Fast Track Authority
Ingham County, Michigan**

FINANCIAL STATEMENTS

December 31, 2006

Ingham County Land Bank Fast Track Authority
Ingham County, Michigan

December 31, 2006

BOARD OF DIRECTORS AND MANAGEMENT

Eric Schertzing	Chairperson
Debbie De Leon	Vice-Chairperson
Dale Copedge	Treasurer
Chris Hertel, Jr.	Secretary
Rebecca Bahar-Cook	Member
Mary Ruttan	Executive Director

Ingham County Land Bank Fast Track Authority

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December 31, 2006

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Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA



ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

INDEPENDENT AUDITOR'S REPORT

To the Honorable Chair and Members of the
Ingham County Land Bank Fast Track Authority Board
Mason, Michigan

We have audited the accompanying component unit financial statements of the Ingham County Land Bank Fast Track Authority as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Ingham County Land Bank Fast Track Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ingham County Land Bank Fast Track Authority as of December 31, 2006, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2007, on our consideration of the Ingham County Land Bank Fast Track Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

June 19, 2007

Management's Discussion and Analysis

As management of the Ingham County Land Bank Fast Track Authority, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Ingham County Land Bank Fast Track Authority for the year ended December 31, 2006. The Authority holds and owns in its name any property acquired by it or conveyed to it by the state, a foreclosing governmental unit, a local unit of government, an intergovernmental entity created under the laws of the State of Michigan, or any other public or private person, including, but not limited to, tax reverted property and property with or without clear title. A Land Bank Authority may hold, control, manage, maintain, operate, repair, lease as lessor, secure, prevent the waste or deterioration of, demolish, and take all other actions necessary to preserve the value of the property it holds or owns.

Management Highlights

- The Ingham County Land Bank Fast Track Authority held title to ninety-four parcels obtained through the tax reversion process.
- The parcels were comprised of 15 residential structures, three commercial sites, buildable vacant lots, and non-buildable "orphan" parcels.
- Major renovations effectively began on September 1, 2006 in earnest.
- The Ingham County Land Bank Fast Track Authority completed three of the seven renovation projects in process by 12/31/06. There were four structures scheduled for demolition. One residential home and one vacant lot were sold in 2006 and two pending sales were scheduled to close in 2007.

Financial Highlights

- The Ingham County Land Bank Fast Track Authority is a public body corporate organized pursuant to the Michigan Land Bank Fast Track Act, 2003 P.A. 258, MCL 124.751-124.774 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Ingham, Michigan, dated September 7, 2005.
- The Ingham County Land Bank Fast Track Authority relies on two main revenue sources to fund its core operation. The first being funds provided by Ingham County through the Delinquent Tax Foreclosure Fund managed by the Ingham County Treasurer. The second is the sale of property held by the Ingham County Land Bank Fast Track Authority.
- The assets of the Ingham County Land Bank Fast Track Authority exceeded its liabilities at the close of the fiscal year by \$150,840 (net assets).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Ingham County Land Bank Fast Track Authority's basic financial statements. The Ingham County Land Bank Fast Track Authority's basic financial statements are comprised of government-wide financial statements and notes to the financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Ingham County Land Bank Fast Track Authority's finances, in a manner similar to a private-sector business.

The state of net assets presents information on all the Ingham County Land Bank Fast Track Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Ingham County Land Bank Fast Track Authority is improving or deteriorating.

Condensed Statement of Net Assets

Total assets (current)	\$ 951,122
Total liabilities (current)	(800,282)
Net assets unrestricted	<u>\$ 150,840</u>

Condensed Statement of Activities

Operating Revenues	\$ 145,100
Operating Expenses	(30,419)
Operating Income	114,681
Nonoperating revenues (net)	<u>36,159</u>
Net assets, end of period	<u>\$ 150,840</u>

The year ended December 31, 2006 was the first year of operation. Future years will present comparative financial information.

Major fund

The Ingham County Land Bank Fast Track Authority maintains a single proprietary fund.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of an authority's financial position. In the case of the Ingham County Land Bank Fast Track Authority, assets exceeded liabilities by \$150,840 at the close of the fiscal year.

The Ingham County Land Bank Fast Track Authority holds \$835,227 of Land Inventory. One commercial property comprises 30% of the total. This parcel will be a major development project.

During the next fiscal year, the sales revenue and number of renovation and new construction project will increase significantly. The staffing levels of the Ingham County Land Bank Fast Track Authority will increase by 1-1/4 positions to improve internal control and manage the increasing work load.

Long/short-term debt

At the end of the fiscal year, the Ingham County Land Bank Fast Track Authority had total liabilities outstanding of \$800,282, comprised of accounts payable and a line of credit due to Citizens Bank.

Request for Information

The financial report is designed to provide a general overview of the Ingham County Land Bank Fast Track Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Ingham County Land Bank Fast Track Authority, P.O. Box 215, Mason MI 48854.

BASIC FINANCIAL STATEMENTS

Ingham County Land Bank Fast Track Authority

STATEMENT OF NET ASSETS

December 31, 2006

ASSETS

Current assets

Cash	\$ 115,784
Accounts receivable	111
Inventory	<u>835,227</u>

TOTAL ASSETS	951,122
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LIABILITIES

Current liabilities

Accounts payable	52,397
Line of credit payable	<u>747,885</u>

TOTAL LIABILITIES	<u>800,282</u>
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NET ASSETS

Unrestricted	<u>150,840</u>
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TOTAL NET ASSETS	<u><u>\$ 150,840</u></u>
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See accompanying notes to financial statements.

Ingham County Land Bank Fast Track Authority

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended December 31, 2006

OPERATING REVENUES	
Rental income	\$ 2,100
Property sales	<u>143,000</u>
TOTAL OPERATING REVENUES	145,100
OPERATING EXPENSES	
Cost of land sold	<u>30,419</u>
OPERATING INCOME	114,681
NONOPERATING REVENUES AND (EXPENSES)	
Ingham County appropriation	50,000
Interest expense	<u>(13,841)</u>
TOTAL NONOPERATING REVENUES	<u>36,159</u>
CHANGE IN NET ASSETS	150,840
Net assets, beginning of period	<u>-</u>
Net assets, end of period	<u><u>\$ 150,840</u></u>

See accompanying notes to financial statements.

Ingham County Land Bank Fast Track Authority

STATEMENT OF CASH FLOWS

Year Ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	\$ 144,989
Cash paid to suppliers and contractors	<u>(813,249)</u>

NET CASH (USED) BY OPERATING ACTIVITIES	(668,260)
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CASH FLOWS FROM NONCAPITAL AND RELATED
FINANCING ACTIVITIES

Line of credit draws	750,000
Ingham County appropriation	50,000
Interest charges	(13,841)
Payments on borrowing	<u>(2,115)</u>

NET CASH PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>784,044</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	115,784
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Cash and cash equivalents, beginning of year	<u>-</u>
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Cash and cash equivalents, end of year	<u><u>\$ 115,784</u></u>
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Reconciliation of operating income to net
cash (used) by operating activities

Operating income	\$ 114,681
Adjustments to reconcile operating income to net cash (used) by operating activities	
(Increase) in accounts receivable	(111)
(Increase) in inventory	(835,227)
Increase in accounts payable	<u>52,397</u>

NET CASH (USED) BY OPERATING ACTIVITIES	<u><u>\$ (668,260)</u></u>
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See accompanying notes to financial statements.

Ingham County Land Bank Fast Track Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A: DESCRIPTION OF LAND BANK AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ingham County Land Bank Fast Track Authority (the "Land Bank" or the "Authority") is a public body corporate organized pursuant to the Michigan Land Bank Fast Track P.A. 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Ingham, Michigan. The Authority was legally established on November 1, 2005 and began operations subsequent to January 1, 2006. The Authority's Board of Directors is made up of the Land Bank Chair and four (4) board members who are appointed by the Ingham County Board of Commissioners for overlapping four (4) year terms.

The financial statements of the Land Bank have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Land Bank's more significant accounting policies are described below.

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America; GASB Statement 14, *The Financial Reporting Entity*; and *Statement on Michigan Governmental Accounting and Auditing No. 5*, these financial statements present the financial activities of the Ingham County Land Bank Fast Track Authority. The Land Bank has no component units.

2. Measurement Focus

The Authority uses a single enterprise fund to account for and report its financial activities, which are limited to *business-type activities* - i.e., activities that are financed in whole or in part by fees charged to external parties and are operated in a manner similar to private business where the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations.

3. Basis of Accounting

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied. The Authority uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Private-sector standards of accounting and financial reporting issued to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the Land Bank's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of a checking account. The cash and cash equivalents are recorded at market value.

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A: DESCRIPTION OF LAND BANK AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Receivables and Payables

The fair value of short-term financial instruments such as accounts receivable and payable, accrued receivables, and accrued liabilities, if any, is equal to the carrying amounts in the accompanying financial statements due to the short nature of such instruments.

6. Land Inventory

The Land Bank may acquire by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise real or personal property, or rights or interest in real or personal property, on terms and conditions and in a manner the Land Bank considers proper. The properties are inventoried at the amount paid. The costs to rehabilitate a particular property that materially add value as well as an allocated portion of administrative costs are added to the cost of that property. Parcels that are donated to the Authority are valued at \$1 as they have minimal value.

NOTE B: CASH

In accordance with Michigan Compiled Laws, the Land Bank is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belong to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or federal agency obligations repurchase agreements.
5. Bankers' acceptances of United States banks.
6. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association or Government National Mortgage Association.

Ingham County Land Bank Fast Track Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE B: CASH - CONTINUED

Custodial credit risk - deposits

There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Land Bank's deposits may not be returned to it. As of December 31, 2006, the carrying amount of the Land Bank's deposits was \$115,784 and the bank balance was \$174,187 of which \$100,000 was covered by federal depository insurance. The remaining balance of \$74,187 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Land Bank held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of December 31, 2006, the Land Bank did not have any investments that would be subject to rating.

Concentration of credit risk

The Land Bank will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Land Bank's investment in a single issuer, by diversifying its investments by security type and institution to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

NOTE C: LONG-TERM DEBT

The following is a summary of changes in long-term debt (including current portion) of the Land Bank for the year ended December 31, 2006:

	Balance Jan. 1, 2006	Additions	Deletions	Balance Dec. 31, 2006	Amounts Due Within One Year
Line of credit	\$ -	\$ 750,000	\$ 2,115	\$ 747,885	\$ 747,885

Significant details regarding outstanding long-term debt (including current portion) are presented below:

Citizen's Bank Line of Credit

\$1,000,000 Operating Line of credit with Citizen's Bank dated April 28, 2006, with interest of 6.45 percent, payable monthly.

\$ 747,885

The line of credit has no formal maturity date and has no formalized amortization schedule established at year end. The entire balance is therefore reported as a current liability in the financial statements.

NOTE D: RISK MANAGEMENT

The Land Bank, as a component unit of Ingham County, is protected from losses as described in the note captioned "Risk Management" within the County's Comprehensive Annual Financial Report.

Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA



ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Ingham County Land Bank Fast Track Authority
Mason, Michigan

We have audited the accompanying component unit financial statements of the Ingham County Land Bank Fast Track Authority, as of and for the year ended December 31, 2006, and have issued our report thereon dated June 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ingham County Land Bank Fast Track Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control. We consider the following deficiency to be a significant deficiency in internal control over financial reporting.

2006-1 SEPARATION OF DUTIES

Condition: During our analysis and testing of the internal control structures, we noted that one individual performed numerous accounting functions (i.e., receipts, disbursements, deposits, and bank reconciliations).

Criteria: The main concept of an internal control structure is to assure that no one person handles all aspects of processing a transaction. The Land Bank's current processes allow one individual to process all of these transactions.

Effect: Management has not placed adequate internal control systems into operation at the Land Bank.

Recommendation: We recommend the Land Bank take steps to ensure that accounting duties are segregated to extent possible. This will increase efficiency in the processing of transactions and strengthen the internal control systems.

2006-1 SEPARATION OF DUTIES - CONTINUED

Corrective Action Response: Management of the Land Bank states that inadequate staffing exists to improve internal control in this area. Management of the Land Bank understands and accepts the risk of inadequate controls in this area.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's responses to the findings identified in our audit are described above. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Directors of Ingham County Land Bank Fast Track Authority, others within the County, the pass-through grantors, and Federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

June 19, 2007